

CENTRAL INTELLIGENCE AGENCY
OFFICIAL ROUTING SLIP

TO	RESS	DATE	INITIALS
1		5/2	JH
2	File		
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ACTION		DIRECT REPLY	PREPARE REPLY
APPROVAL		DISPATCH	RECOMMENDATION
COMMENT		FILE	RETURN
CONCURRENCE		INFORMATION	SIGNATURE

Remarks:

For your disposition STAT



4/63

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FROM: NAME, ADDRESS AND PHONE NO.	DATE
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FORM NO. 2-61 237 Use previous editions

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Mr. [redacted] 3/8/68 STAT
Should we make a
picture of attached
Info. Bulletin No. 1
for Fiscal Service?
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Page Denied

UNITED STATES CIVIL SERVICE COMMISSION
BUREAU OF RETIREMENT AND INSURANCE
WASHINGTON 25, D. C.

STAT

President

March 7, 1963

Government Employees Health Association, Inc.
Post Office Box 463
Washington, D. C.

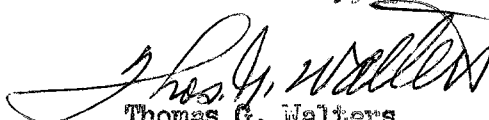
TO: All Federal Employee Sponsored Health Benefit Plan Contractors

Attached for your information is the first in a series of Health Benefits Officer Information Bulletins which will be issued periodically by this Bureau to Health Benefits Officers in the various departments and agencies covered by the Federal Employees Health Benefits Program. This series is designed to reinforce instructions previously given, to point out problem areas and to keep health benefits officers "tuned in" on developments in the health benefits program. It is not intended as a means of providing new instructional material to agencies.

Because many of the items presented in these bulletins will be of interest to participating health plans, we will send you a copy of each bulletin issued.

You will also find attached a brief summary of the letter of instructions that you will receive within the next few days from the Director, Andrew E. Ruddock. That letter will deal with the deadline for submitting amendments to your health benefits plan, and request your suggestions or opinion on certain financial matters that will be explained fully in the letter.

Most sincerely,



Thomas G. Walters
Assistant to the Chief
Contracts & Instructions Division

Attachments

MAR 8 11 38 AM '63

EXCERPTS FROM DIRECTOR RUDDOCK'S LETTER OF INSTRUCTIONS

HEALTH BENEFIT PLANS

COMMISSION IS CONSIDERING PROPOSED CHANGES TO HEALTH BENEFITS REGULATIONS WHICH WOULD (1) ESTABLISH APRIL 30, 1963, AS DEADLINE DATE FOR SUBMISSION BY PLANS OF PROPOSED CONTRACT CHANGES IN RATES AND BENEFITS FOR CONTRACT PERIOD BEGINNING NOVEMBER 1, 1963; AND (2) WOULD ESTABLISH A METHOD OF DISPOSING OF CONTINGENCY RESERVES ACCUMULATING IN HEALTH BENEFITS FUND TO THE CREDIT OF EACH PLAN. BECAUSE IT MAY BE ANOTHER WEEK OR TWO UNTIL THE COMMISSION ACTS ON THESE PROPOSALS, WE ARE GIVING YOU THIS ADVANCE NOTICE SO THAT YOU MAY HAVE THE MAXIMUM TIME POSSIBLE TO CONSIDER YOUR PROPOSALS. ALTHOUGH CHANGES MAY BE MADE IN OTHER PARTS OF PROPOSAL, DEADLINE DATE OF APRIL 30, 1963, IS FIRM. THERE WILL BE AN OPEN SEASON FOR EMPLOYEES IN OCTOBER. YOU SHOULD PRESUME THE GOVERNMENT CONTRIBUTION WILL NOT CHANGE. PREMIUM RATE FOR EACH OPTION SHOULD BE CALCULATED ON ITS OWN MERIT. THERE MAY BE EITHER INCREASES OR DECREASES IN BENEFITS AND RATES.

PROPOSED PLAN FOR CONTINGENCY RESERVES WOULD OPERATE AS FOLLOWS: FOR EXPERIENCE RATED PLANS: WHEN AT THE END OF ANY CONTRACT PERIOD THE TOTAL RESERVES HELD BY THE CARRIER FOR THE PLAN, INCLUDING SPECIAL RESERVE AND RESERVE FOR ACCRUED BUT UNPAID CLAIMS, FALLS BELOW 5 MONTHS PREMIUM FOR THAT YEAR AN AMOUNT WILL BE RELEASED TO THE PLAN FROM THE FUND WHICH WILL NOT DIMINISH THE CONTINGENCY RESERVE BELOW ONE MONTHS PREMIUM AND WHICH WILL NOT BRING THE AMOUNT OF RESERVE HELD BY THE PLAN TO OVER 5 MONTHS PREMIUM.

FORMAL NOTIFICATION AND FULL DETAILS WILL BE SENT YOU AS SOON AS COMMISSION ACTS.

UNITED STATES CIVIL SERVICE COMMISSION
BUREAU OF RETIREMENT AND INSURANCE
WASHINGTON 25, D.C.

March 1, 1963
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887 3/8/63
LSP 5/4/63

HEALTH BENEFITS OFFICER INFORMATION BULLETIN NO. 1

Health Benefits Officers are our main points of contact with departments and agencies on health benefits matters. Therefore, we are starting this series of bulletins to keep you informed on current developments in the health benefits program and to call your attention to specific problems on which your assistance would be helpful. We hope that you, in turn, will inform your authorized health benefits officials at the installation level about these matters, as appropriate.

Following are several items which we want to bring to your attention.

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1. Inspection of health benefits operations. FPM Bulletin 273-8, dated January 31, 1963, announced that the Commission's inspections have been broadened to include inspection of agency health benefits operations on a pilot study basis. Attached for your information and guidance are copies of the Supplementary Reporting Form and instructions to our inspectors for the pilot study inspections. You may want to duplicate this material and make it available to authorized health benefits officials for use in self-evaluating their health benefit operations.
 2. Renewal of medical certificates. As instructed in the Health Benefits Manual, the employing office's decision regarding the length of time for which a medical certificate for an incapable-of-self-support husband or over-age-19 child is determined to be in effect should be stated in Remarks on the SF 2809 (for example: "Incapable of self-support--1 year" or "Incapable of self-support--permanent"). For cases in which medical certificates are approved for a limited period of time, employing offices should establish follow-up files to remind employees in advance of the expiration of the medical certificates and their need for renewing them. This is important as it affects the amount of the Government's contribution for a female employee with a family enrollment, and it affects an over-age-19 child's entitlement to benefits.

Insofar as the health benefits carrier is concerned, an over-age-19 child automatically loses coverage on the date a medical certificate for him expires unless the carrier is notified, as instructed on Page 48 of the Manual, that the certificate has been renewed. The carrier is not obligated to notify the employee that the child is no longer covered, and unless the employee and the employing office are alert to such situations, the child may lose his conversion right. Employing offices should be reminded of the proper procedures in these cases.

3. Errors in retirement and death cases. We recently spot-checked a number of retirement and death claim cases and found that agency installations are making some errors in the health benefits actions they take when an employee dies or retires, and the health benefits enrollment is transferred to us.

- a. Completion of SF 2810 - The SF 2810 often is not properly completed. Please remind your employing and payroll offices that instructions for completing Form 2810 are given on the back of the last copy of that Form, and are supplemented by instructions in the Manual, and that these instructions should be followed strictly in completing the forms.

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Completion of Preliminary 2806 - We also found disability retirement cases in which agencies either failed to indicate health benefit status on the preliminary SF 2806 (Individual Retirement Record) or gave the wrong information. When an employee applies for disability retirement, his health benefits enrollment code and carrier's control numbers should be recorded on the preliminary SF 2806 only if he appears eligible to continue enrollment as an annuitant. This notation on the 2806 is, in effect, the agency's temporary certification that the employee appears eligible to continue enrollment after retirement, and we will continue the enrollment when we tentatively allow the case based on the preliminary 2806.

If the employee is not eligible to continue enrollment, the preliminary 2806 should be noted "Not eligible to continue health benefits," and the enrollment code and carrier's control numbers should not be given, so that we do not continue the enrollment upon tentative allowance and erroneously withhold health benefits deductions from annuity. These procedures are stated on Pages 62 and 63 of the Manual, and if agencies will observe them, the transition to annuity status will be smoothed for their employees.

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Transmittal and Summary Report to Carrier - SF 2811. Many payroll offices are still filing this report with carriers on the old form. FPM Letter 890-4, dated May 15, 1962, announced a redesigned SF-2811 effective July 1, 1962 and it is illustrated on Page 106 of the Health Benefits Manual. Other payroll offices, while reporting on the redesigned form, are also submitting so-called quarterly reports to carriers. These quarterly reports are no longer necessary since the redesigned form provides a means for payroll offices to maintain a perpetual inventory of enrollees by enrollment code based on SFs 2809 and 2810 transmitted to the carriers. Payroll offices should be reminded of this change in reporting requirements.

5. Channeling agency questions to Health Benefits Officers. We want to encourage installation employing and payroll offices to direct their health benefits questions to their agency Health Benefits Officers whenever possible. These questions are now relatively few and we believe the Health Benefits Officers should know about them as the answers may apply, or be of interest, throughout the agency. To this end, the new Health Benefits Manual, which will be issued later this year as FPM Supplement 890-1 under the Commission's new issuance system, will state that agency installations should send their questions about the health benefits program to the Health Benefits Officer in their agency headquarters office, who may refer questions to the Commission's Bureau of Retirement and Insurance. (Similar statements will be in Supplements 831-1 on Retirement and 870-1 on Life Insurance.)

We invite you (and your headquarters employing and payroll offices) to call the Bureau of Retirement and Insurance for advice and assistance on health benefits problems. Call either Mr. Brown or Mr. Borchers on Code 129, Extension 4886 or 4887. If you feel that an on-the-spot discussion with you or with personnel handling your health benefits program, will be of greater help to you, we will be glad to arrange to have one of our staff members visit with you and give the necessary assistance.

Sincerely yours,

Andrew E. Ruddock

Andrew E. Ruddock
Director